

Legislator University

AHC 102
Florida's Fiscal State



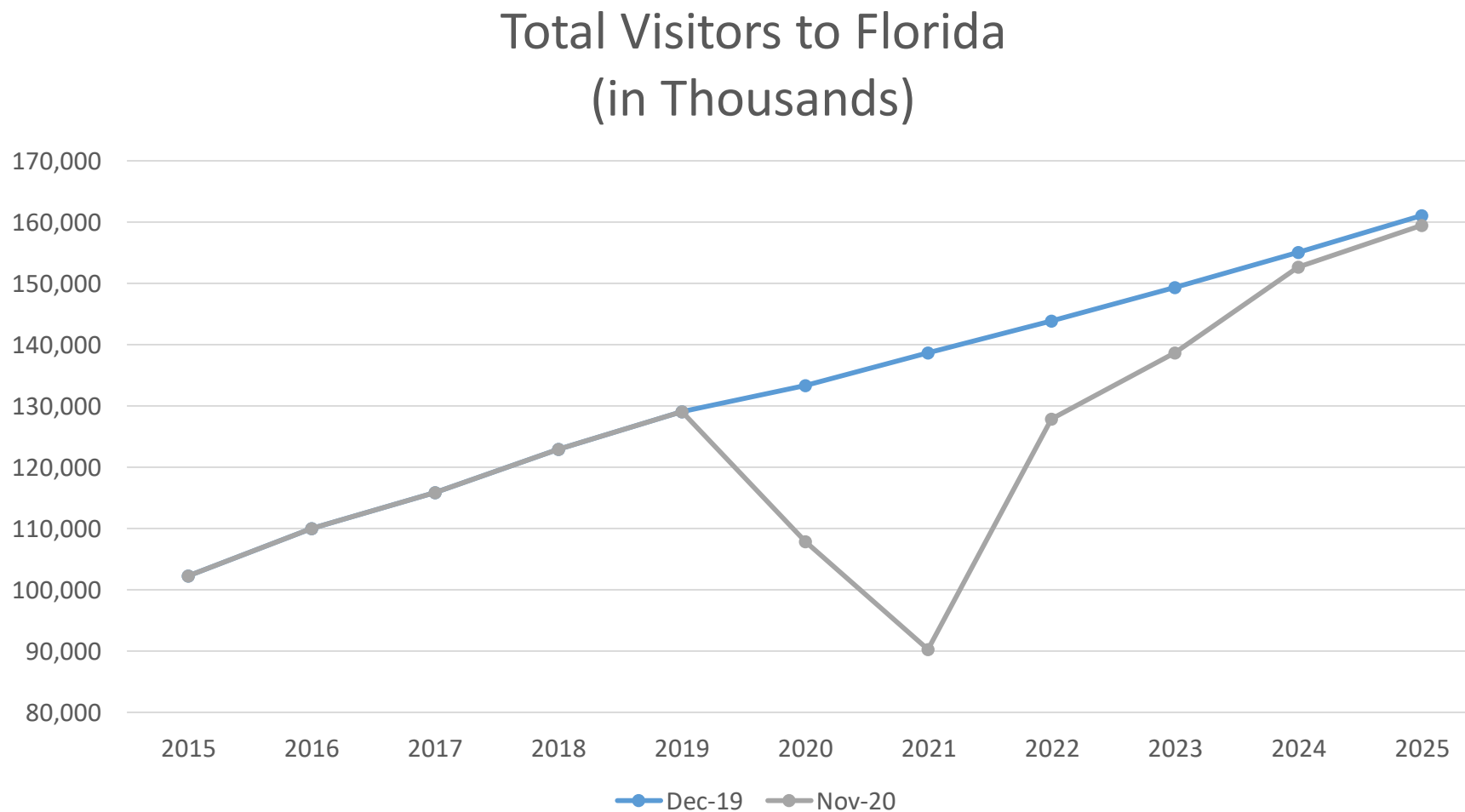


Key Economic Indicators Shape Revenue Forecasts

- Personal Income
- Real Per Capita Income
- Non-Farm Employment
- Total Private Housing Starts
- Total New Light Vehicle Registrations
- Total Visitors



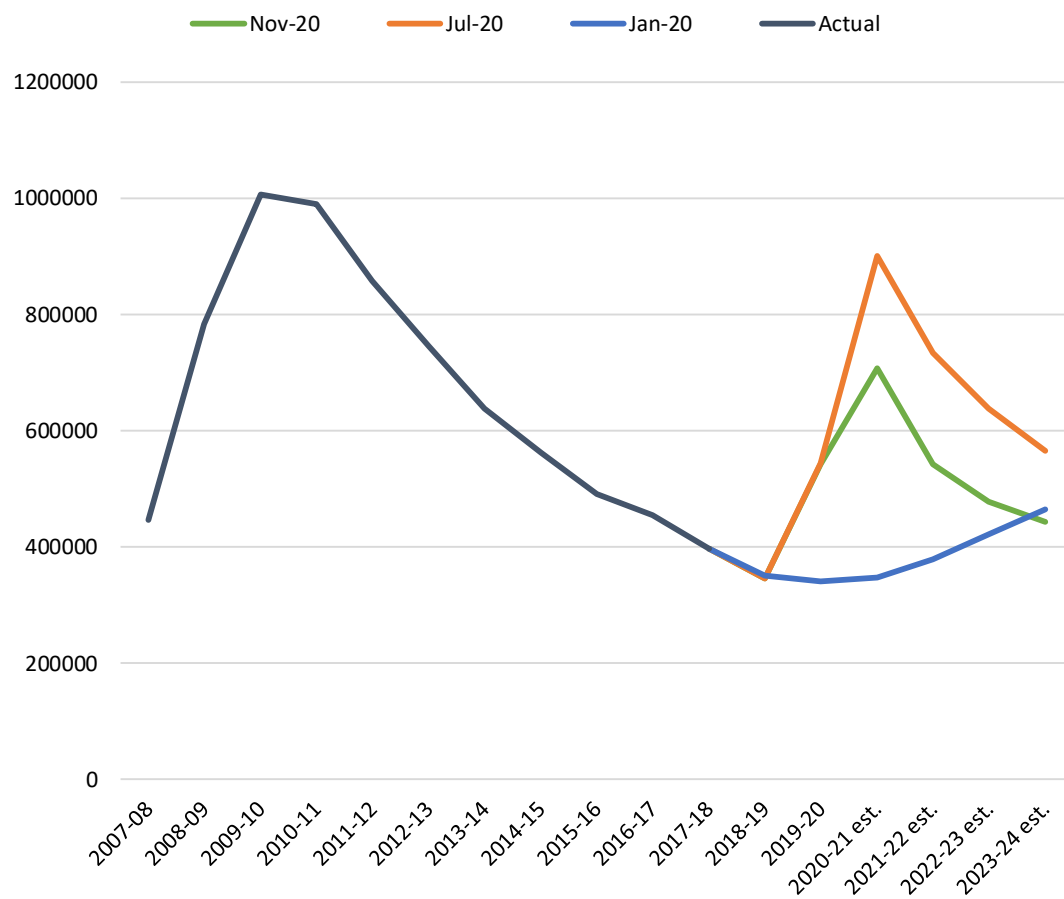
Total Visitors To Florida Have Fallen Sharply



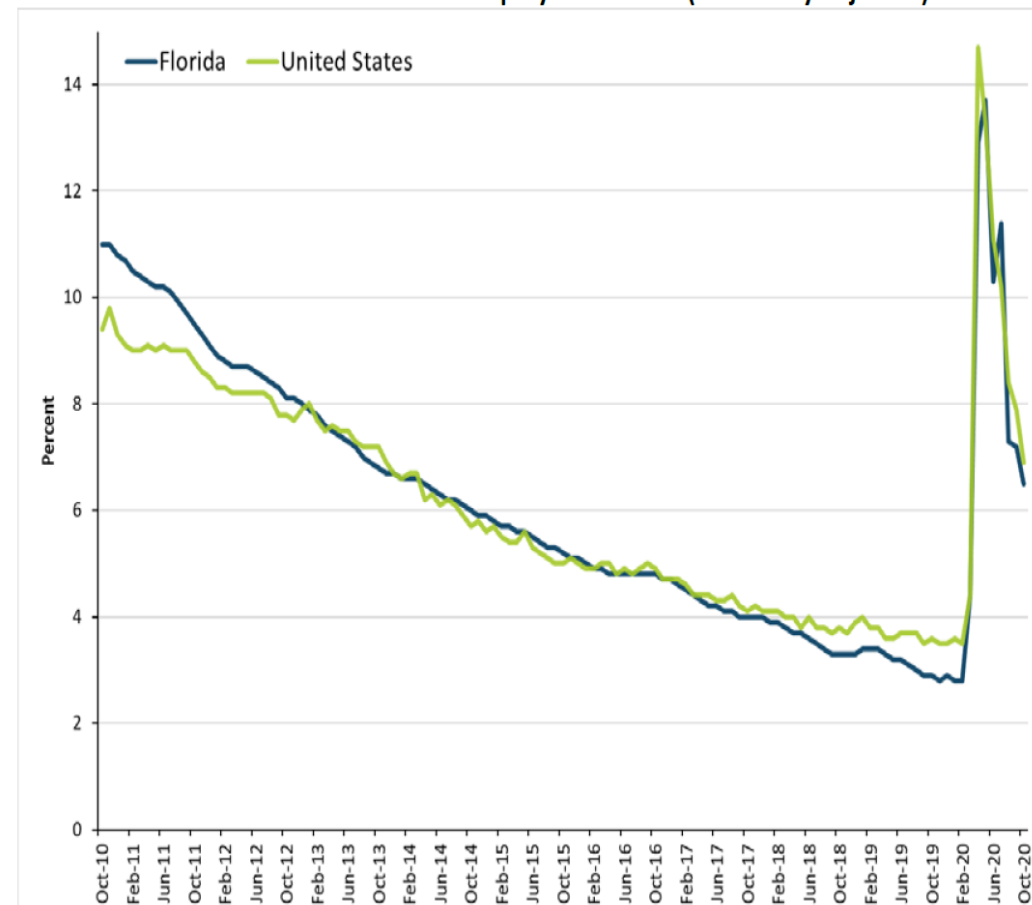


Unemployment Is Improving But Remains A Concern

Number of Unemployed in Florida
Fiscal Year Average



United States and Florida Unemployment Rates (seasonally adjusted)

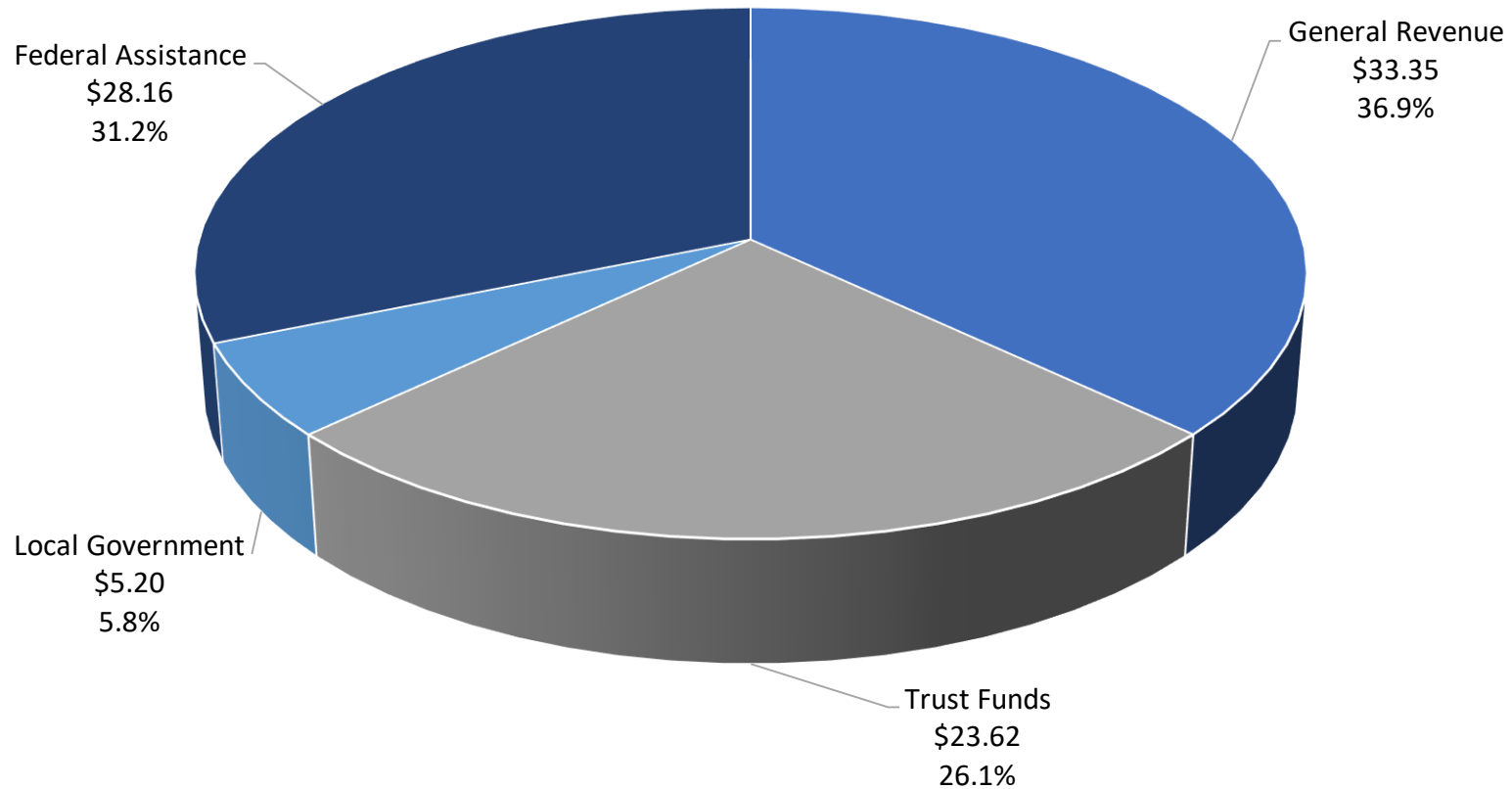


Source: U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Program, in cooperation with the Florida Department of Economic Opportunity, Bureau of Workforce Statistics and Economic Research.



State Revenue Sources

Fiscal Year 2018-19 Classification of State Receipts
\$billions





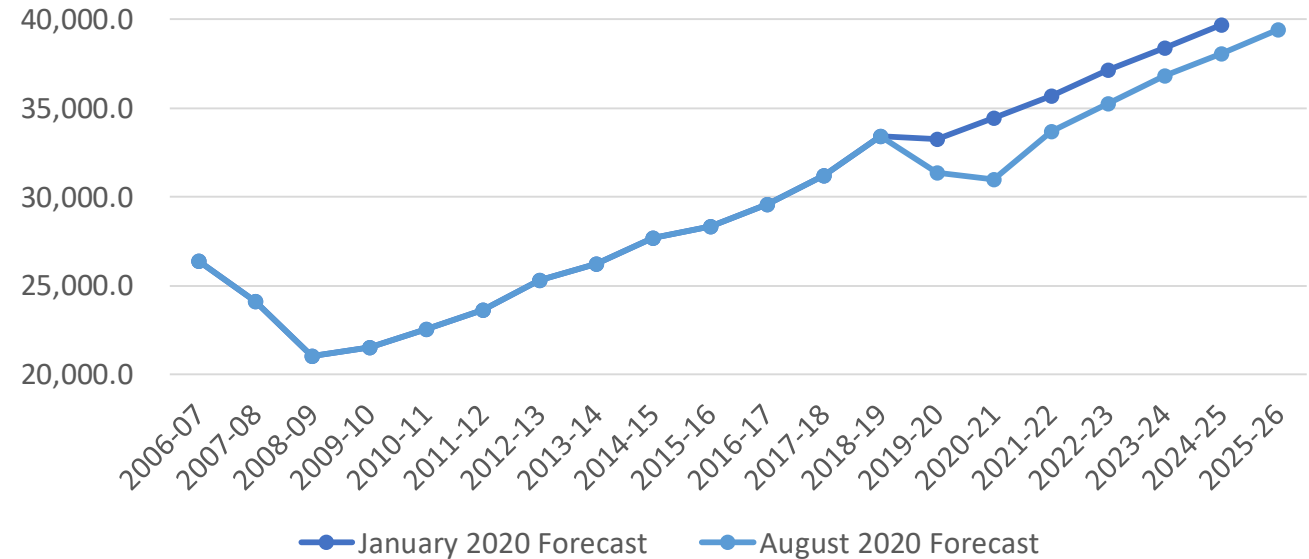
General Revenue Forecast Comparison

Fiscal Year	January 2020 Forecast	Growth	Fiscal Year	August 2020 Forecast	Growth
2004-05	24,969.4		2004-05	24,969.4	
2005-06	27,074.8	8.4%	2005-06	27,074.8	8.4%
2006-07	26,404.1	-2.5%	2006-07	26,404.1	-2.5%
2007-08	24,112.1	-8.7%	2007-08	24,112.1	-8.7%
2008-09	21,025.6	-12.8%	2008-09	21,025.6	-12.8%
2009-10	21,523.1	2.4%	2009-10	21,523.1	2.4%
2010-11	22,551.6	4.8%	2010-11	22,551.6	4.8%
2011-12	23,618.8	4.7%	2011-12	23,618.8	4.7%
2012-13	25,314.6	7.2%	2012-13	25,314.6	7.2%
2013-14	26,198.0	3.5%	2013-14	26,198.0	3.5%
2014-15	27,681.1	5.7%	2014-15	27,681.1	5.7%
2015-16	28,325.4	2.3%	2015-16	28,325.4	2.3%
2016-17	29,594.5	4.5%	2016-17	29,594.5	4.5%
2017-18	31,218.2	5.5%	2017-18	31,218.2	5.5%
2018-19	33,413.8	7.0%	2018-19	33,413.8	7.0%
2019-20	33,249.3	-0.5%	2019-20	31,366.2	-6.1%
2020-21	34,449.3	3.6%	2020-21	30,990.1	-1.2%
2021-22	35,686.8	3.6%	2021-22	33,691.2	8.7%
2022-23	37,141.1	4.1%	2022-23	35,279.3	4.7%
2023-24	38,372.6	3.3%	2023-24	36,800.7	4.3%
2024-25	39,702.6	3.5%	2024-25	38,089.7	3.5%
2025-26			2025-26	39,413.6	3.5%

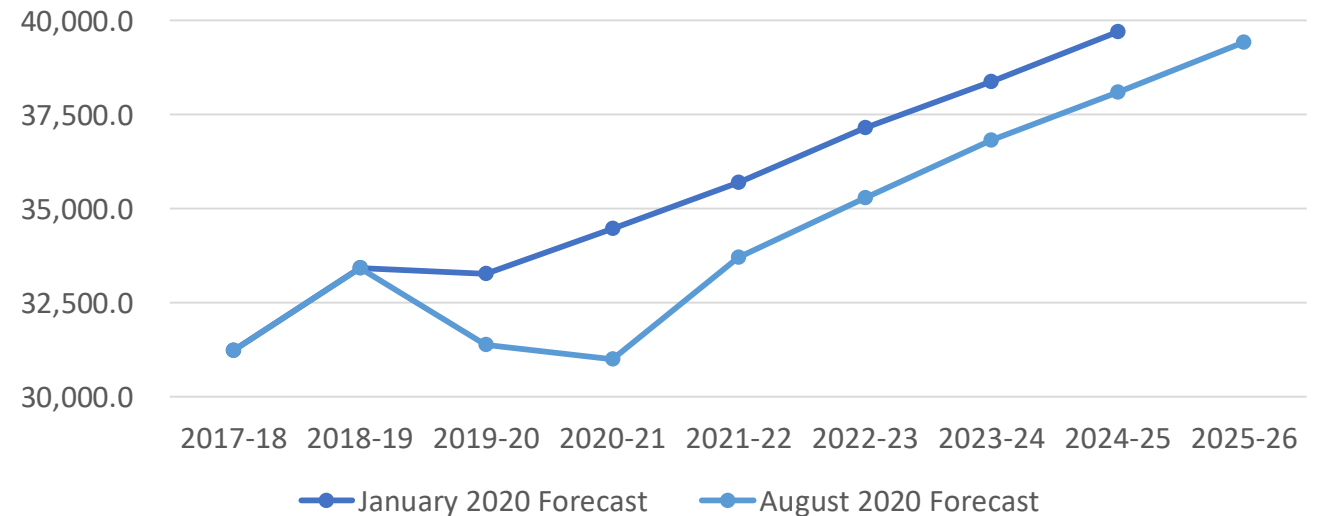
General Revenue Is Not Expected to “Catch Up” to the Pre-Covid Estimate During the Forecast Period



General Revenue Forecasts January 2020 v August 2020

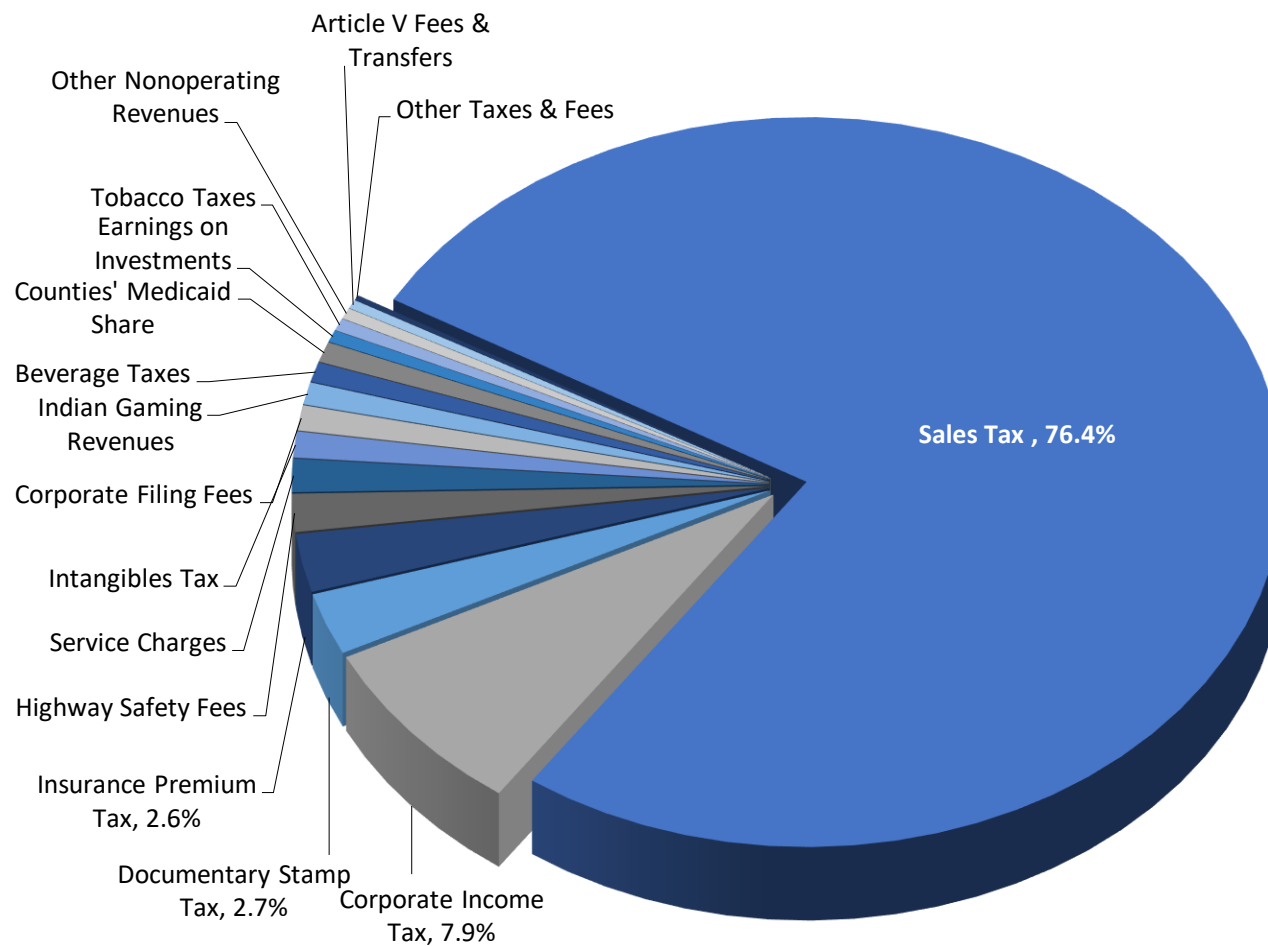


General Revenue Forecasts January 2020 v August 2020





Fiscal Year 2018-19 General Revenue Sources





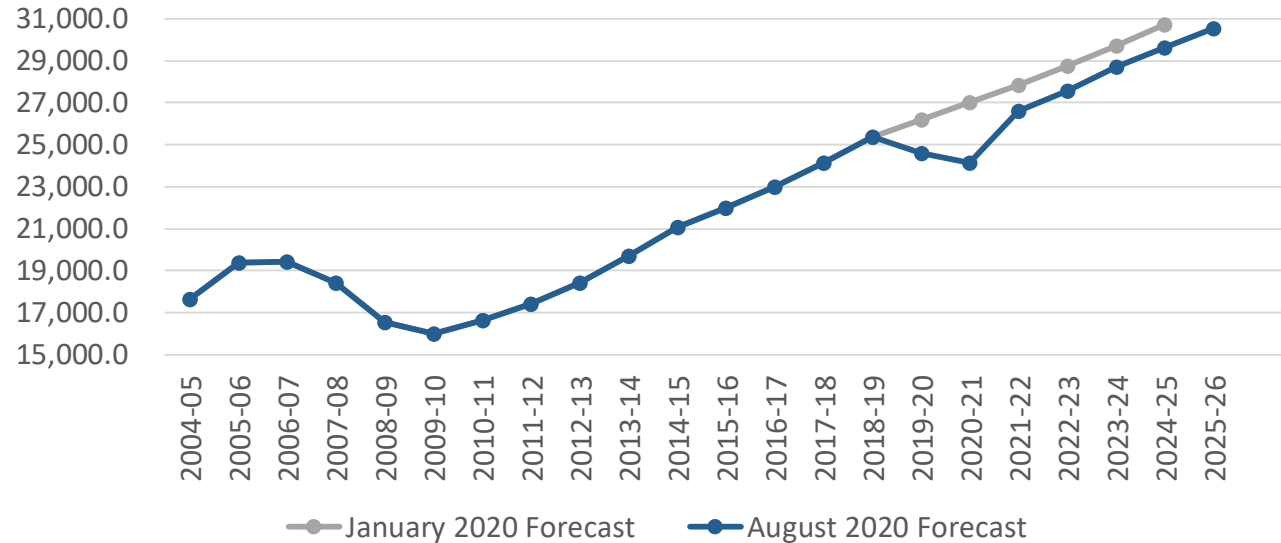
Sales Tax Forecast Comparison

Fiscal Year	January 2020 Forecast	Growth	Fiscal Year	August 2020 Forecast	Growth
2004-05	17,628.9		2004-05	17,628.9	
2005-06	19,367.4	9.9%	2005-06	19,367.4	9.9%
2006-07	19,435.2	0.4%	2006-07	19,435.2	0.4%
2007-08	18,428.9	-5.2%	2007-08	18,428.9	-5.2%
2008-09	16,531.4	-10.3%	2008-09	16,531.4	-10.3%
2009-10	16,014.7	-3.1%	2009-10	16,014.7	-3.1%
2010-11	16,638.3	3.9%	2010-11	16,638.3	3.9%
2011-12	17,422.0	4.7%	2011-12	17,422.0	4.7%
2012-13	18,417.6	5.7%	2012-13	18,417.6	5.7%
2013-14	19,707.7	7.0%	2013-14	19,707.7	7.0%
2014-15	21,062.7	6.9%	2014-15	21,062.7	6.9%
2015-16	21,998.0	4.4%	2015-16	21,998.0	4.4%
2016-17	22,987.4	4.5%	2016-17	22,987.4	4.5%
2017-18	24,138.7	5.0%	2017-18	24,138.7	5.0%
2018-19	25,385.3	5.2%	2018-19	25,385.3	5.2%
2019-20	26,185.6	3.2%	2019-20	24,591.3	-3.1%
2020-21	27,022.9	3.2%	2020-21	24,142.3	-1.8%
2021-22	27,849.6	3.1%	2021-22	26,598.3	10.2%
2022-23	28,756.3	3.3%	2022-23	27,569.2	3.7%
2023-24	29,705.9	3.3%	2023-24	28,692.8	4.1%
2024-25	30,709.1	3.4%	2024-25	29,623.2	3.2%
2025-26			2025-26	30,558.8	3.2%

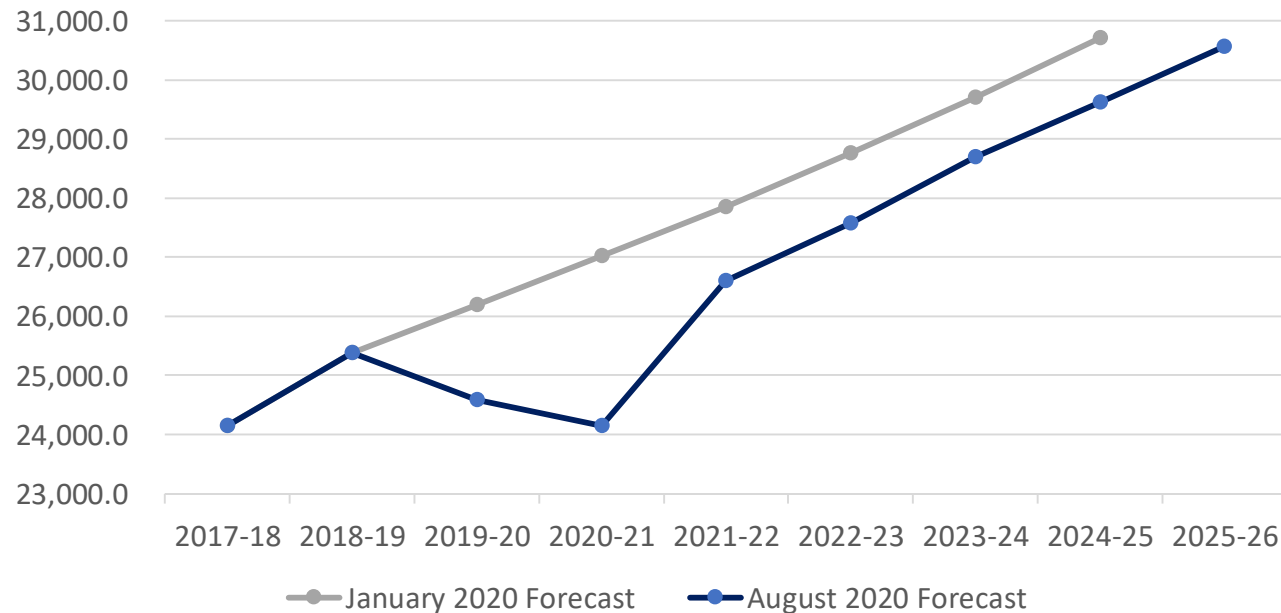
***Sales Tax Is
Also Not
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Pre-Covid
Estimate
During the
Forecast
Period***



Sales Tax Forecasts January 2020 v August 2020



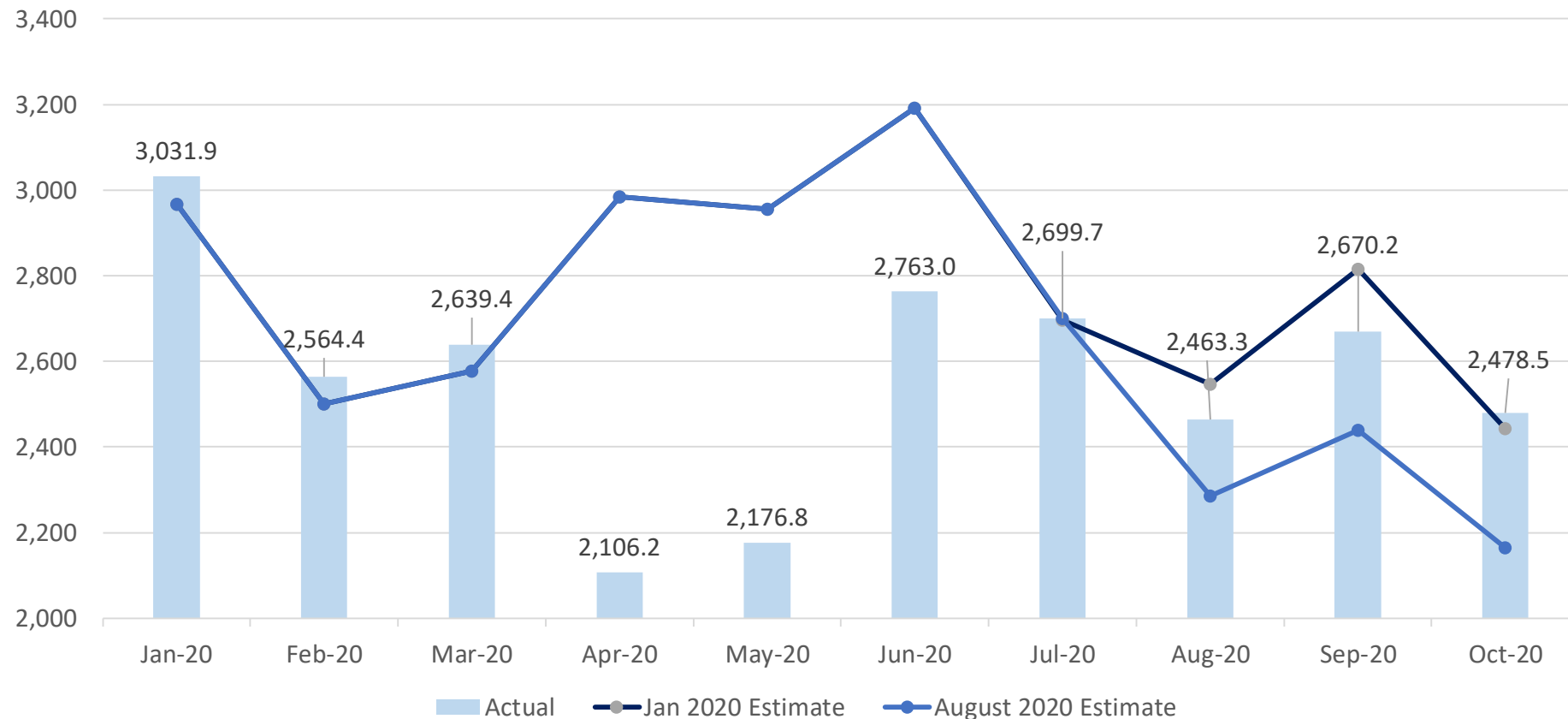
Sales Tax Forecasts January 2020 v August 2020





General Revenue Forecast Comparison To Actual Collections In 2020

2020: Actual vs. Forecasted Net Revenue Collections
(in Millions)





Florida Is Required To Have A Balanced Budget

Article III, Section 19(a)

- Requires an annual state budget and planning process.

Article VII, Section 1(c)

- No money shall be drawn from the treasury except in pursuance of appropriation made by law.

Article VII, Section (1)(d)

- Provision shall be made by law raising sufficient revenue to defray expenses of the state for each fiscal period.

Article III, Section (8)

Article III, Section 19(b)

- Provides line item veto authority to the Governor.
- Authorizes the Governor to veto a specific appropriation in a policy bill.

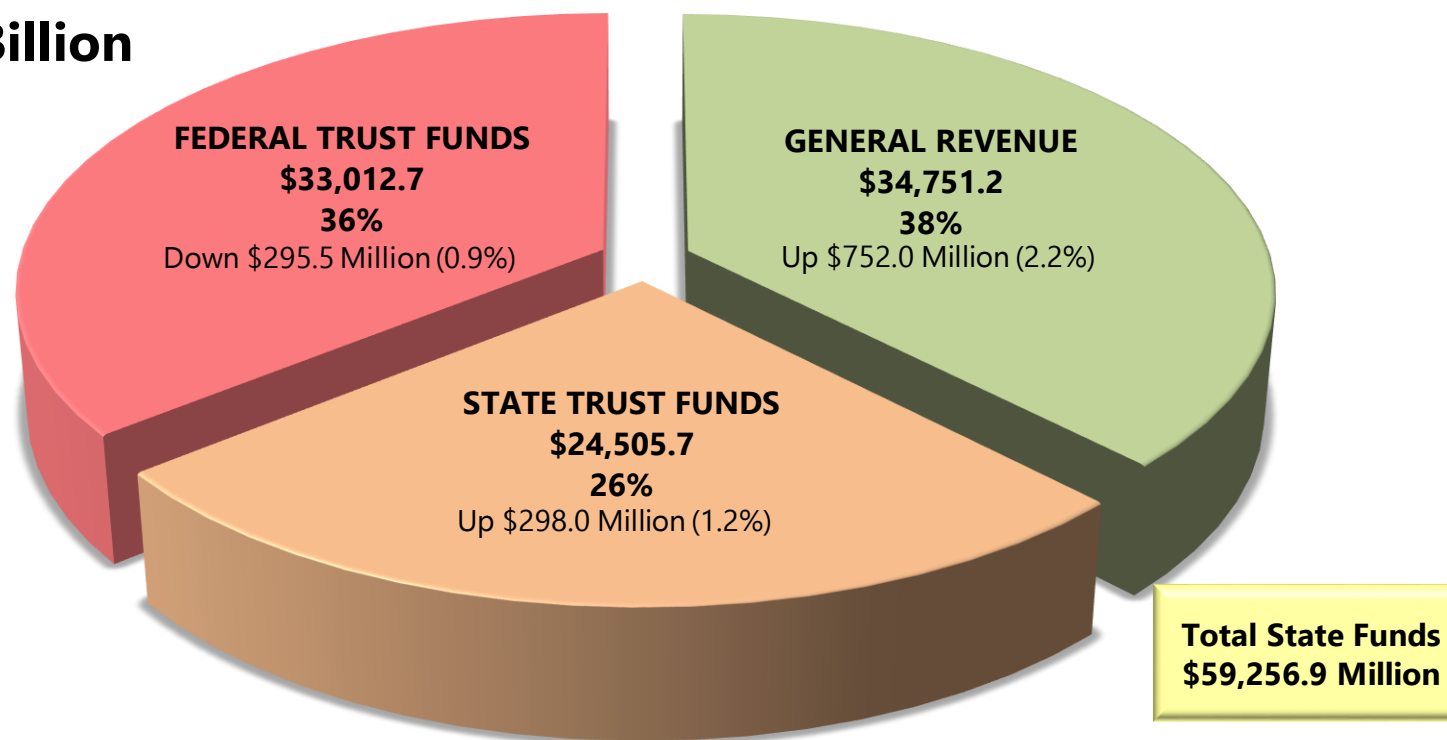
Article VII, Section 19

- No state tax or fee may be imposed, authorized, raised, or authorized to be raised except through legislation approved by two-thirds of the membership of each house of the Legislature.



Fiscal Year 2020-21 Actual Appropriations By Fund Source

\$92.3 Billion

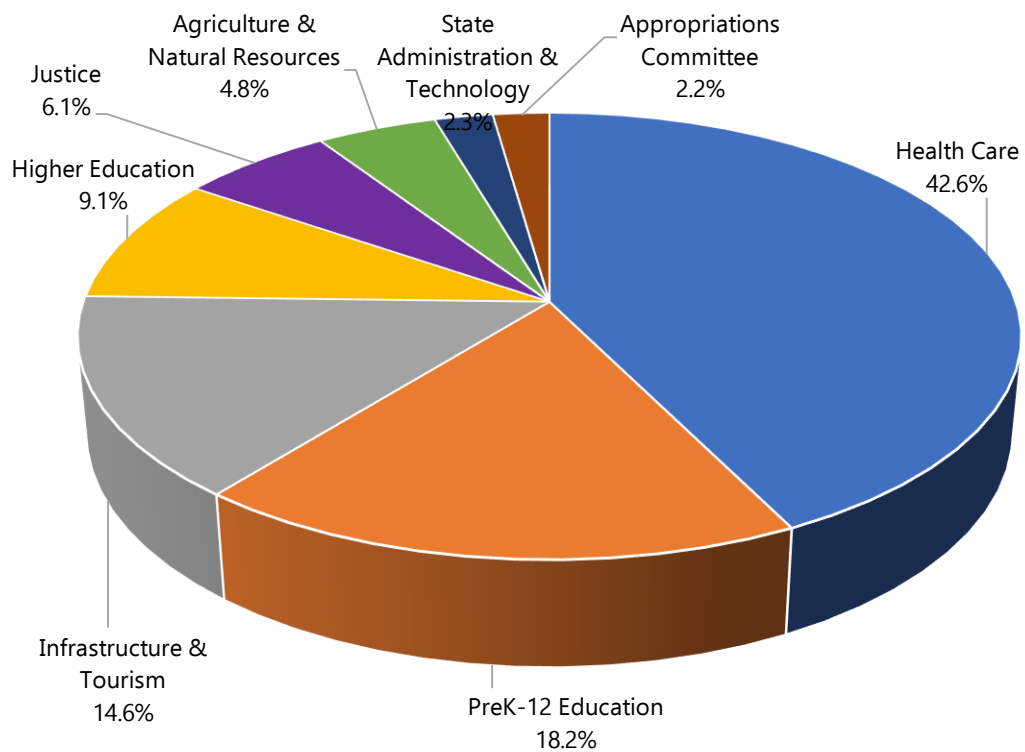


(graph shown in \$millions)

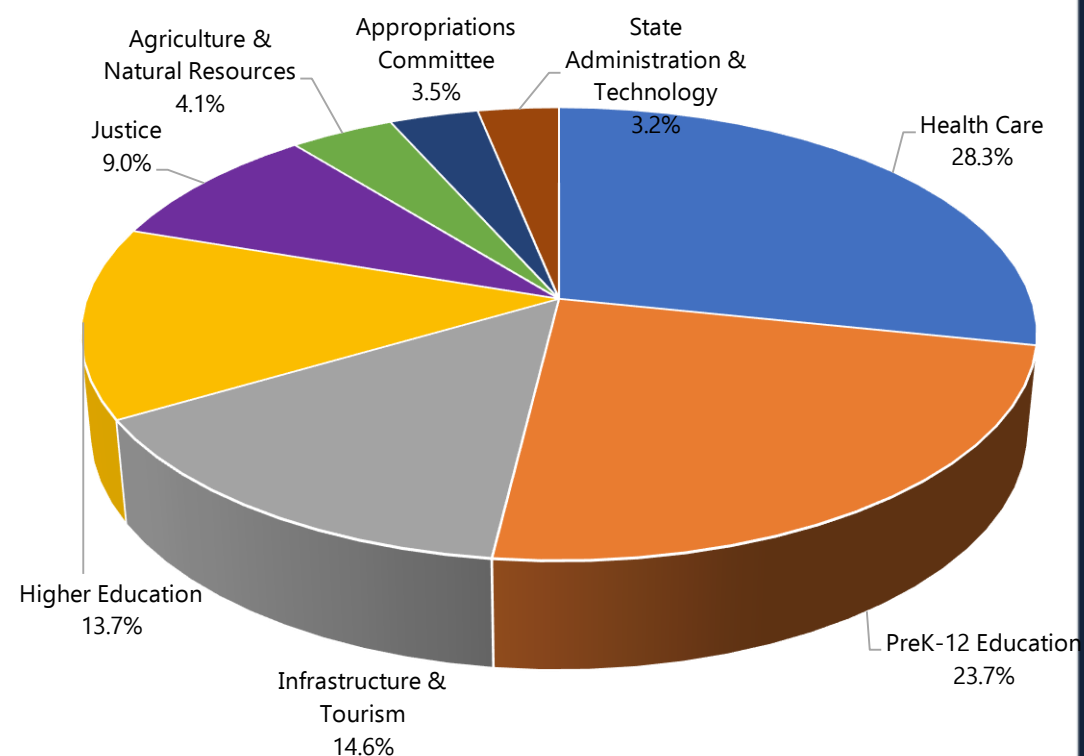


Total / State Appropriations Comparison

Total Funds = \$92,269.7 Million



State Funds = \$59,256.9 Million



***80% of
General
Revenue Is
Spent By
Three
Agencies***



Fiscal Year 2020-21 Actual General Revenue Appropriations by Agency

	Department Title	General Revenue	% of Total	Cumulative %
1	EDUCATION, DEPT OF	\$15,087.1	43.4%	43.4%
2	AGENCY/HEALTH CARE ADMIN	\$7,328.3	21.1%	64.5%
3	UNIVERSITIES, DIVISION OF	\$2,813.7	8.1%	72.6%
4	CORRECTIONS, DEPT OF	\$2,774.1	8.0%	80.6%
5	CHILDREN & FAMILIES	\$1,913.1	5.5%	86.1%
6	JUSTICE ADMINISTRATION	\$856.4	2.5%	88.6%
7	AGENCY/PERSONS WITH DISABL	\$625.9	1.8%	90.4%
8	HEALTH, DEPT OF	\$535.6	1.5%	91.9%
9	STATE COURT SYSTEM	\$491.7	1.4%	93.3%
10	JUVENILE JUSTICE, DEPT OF	\$441.3	1.3%	94.6%
11	ENVIR PROTECTION, DEPT OF	\$304.6	0.9%	95.5%
12	ADMINISTERED FUNDS	\$234.5	0.7%	96.1%
13	REVENUE, DEPARTMENT OF	\$228.0	0.7%	96.8%
14	LEGISLATIVE BRANCH	\$214.6	0.6%	97.4%
15	ELDER AFFAIRS, DEPT OF	\$181.8	0.5%	97.9%
16	LAW ENFORCEMENT, DEPT OF	\$136.7	0.4%	98.3%
17	AGRIC/CONSUMER SVCS/COMMR	\$132.9	0.4%	98.7%
18	MANAGEMENT SRVCS, DEPT OF	\$85.6	0.2%	98.9%
19	STATE, DEPT OF	\$74.6	0.2%	99.2%
20	LEGAL AFFAIRS/ATTY GENERAL	\$67.2	0.2%	99.4%
21	FISH/WILDLIFE CONSERV COMM	\$49.3	0.1%	99.5%
22	ECONOMIC OPPORTUNITY	\$45.3	0.1%	99.6%
23	MILITARY AFFAIRS, DEPT OF	\$31.4	0.1%	99.7%
24	GOVERNOR, EXECUTIVE OFFICE	\$31.4	0.1%	99.8%
25	FINANCIAL SERVICES	\$25.3	0.1%	99.9%
26	VETERANS' AFFAIRS, DEPT OF	\$21.6	0.1%	99.9%
27	FL COMMISN/OFFENDER REVIEW	\$12.1	0.0%	100.0%
28	CITRUS, DEPT OF	\$5.7	0.0%	100.0%
29	BUSINESS/PROFESSIONAL REG	\$1.5	0.0%	100.0%
30	TRANSPORTATION, DEPT OF	\$0.0	0.0%	100.0%
31	HIWAY SAFETY/MTR VEH, DEPT	\$0.0	0.0%	100.0%
32	LOTTERY, DEPARTMENT OF THE	\$0.0	0.0%	100.0%
33	ADMIN HEARINGS	\$0.0	0.0%	100.0%
34	PUBLIC SERVICE COMMISSION	\$0.0	0.0%	100.0%

\$34,751.2



Long-Range Financial Outlook

1st Look At Next Year's Budget

- The Long-Range Financial Outlook was issued by the Legislative Budget Commission on September 10 as required by the Florida Constitution.
- The Outlook is comprised of both revenue and expenditure estimates over a three-year period. This year includes Fiscal Years 2021-22, 2022-23, and 2023-24.
- Estimates are based upon estimating conferences and recent historical experience.
- Estimates include expenditures for Critical Needs and Other High Priority Needs, as well as Revenue Adjustments.
- Expected revenues minus expected expenditures yield either a **surplus or deficit** for each of the three forecasted years. The focus is on the **General Revenue Fund**.



General Revenue Fund Deficits Are Expected

		Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24
Starting Balance		35,139	36,404	37,925
Expenditures	Subtract Reserves	(1,000)	(1,000)	(1,000)
	Subtract Base	(34,158)	(35,687)	(36,547)
	Subtract Critical Needs Issues	(1,481)	(773)	(392)
	Subtract Other High Priority Needs Issues	(1,172)	(1,001)	(991)
	Subtract BSF Transfer	-	-	(12)
	Subtract Lawton Chiles Repayment	(305)	-	-
	Balance After Expenditures	(2,977)	(2,058)	(1,017)
Revenue Adjust.	Subtract Tax and Fee Changes	(85)	(153)	(222)
	Add Trust Fund Sweeps	312	312	312
	Total Revenue Adjustments	228	159	91
Surplus / (Deficit)		(2,750)	(1,899)	(927)



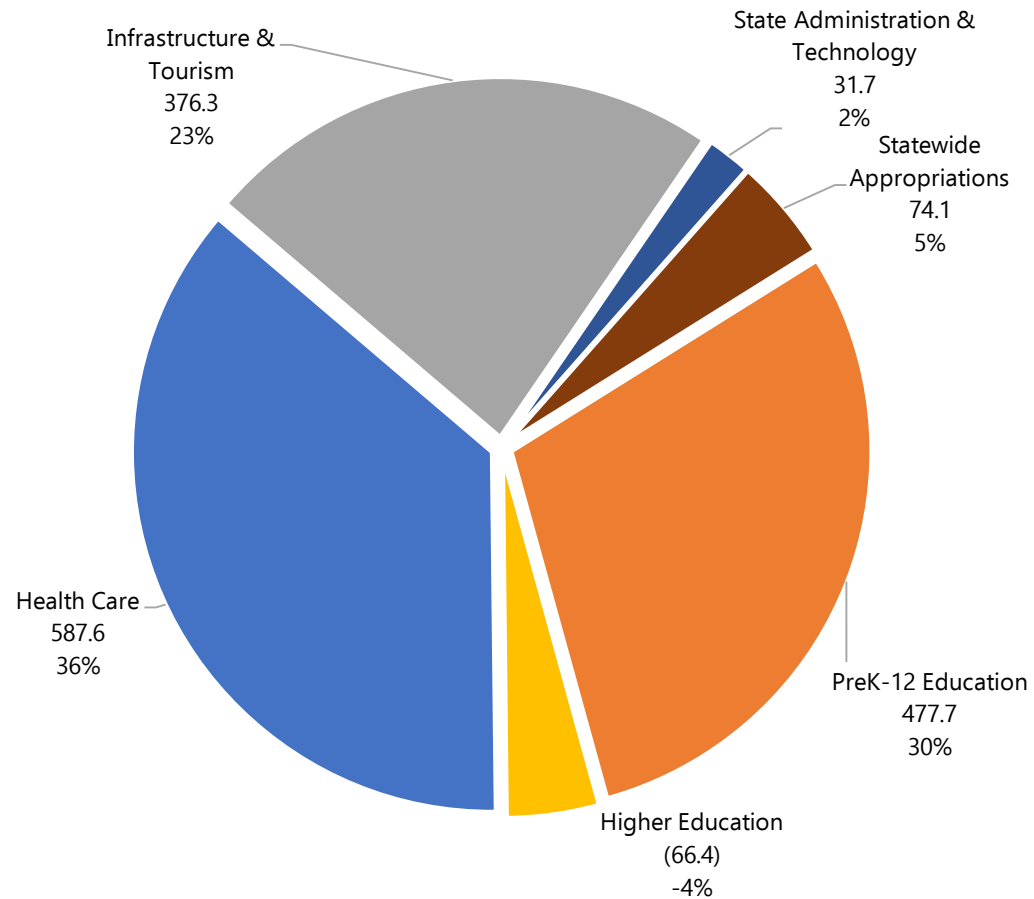
What Is Included In The Long-Range Financial Outlook?

- **Critical Needs** are mandatory increases based on estimating conferences and other essential needs.
 - Public Schools Enrollment, Medicaid Caseload, State Match for FEMA Funding
- **Other High Priority Needs** are issues that have been funded in most, if not all, of the recent budget years.
 - Higher Education Increases, Library and Cultural Grants, Water and Land Conservation
- **Revenue Adjustments** are tax and fee changes and trust funds transfers that have been included in recent budget years.
 - Back-to-School Sales Tax Holiday, Disaster Preparedness Sales Tax Holiday

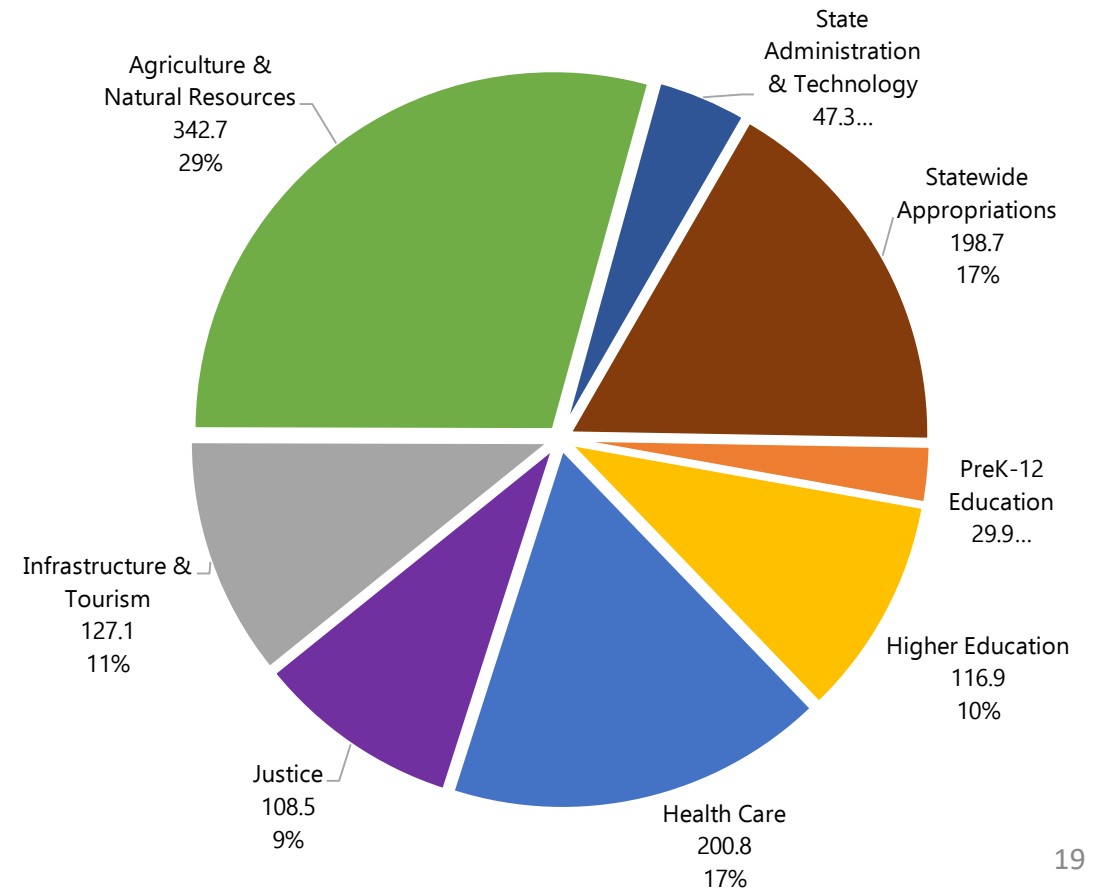


FY 2021-22 Critical and Other High Priority Needs

**Critical Needs
\$1,481 Million**



**Other High Priority Needs
\$1,172 Million**



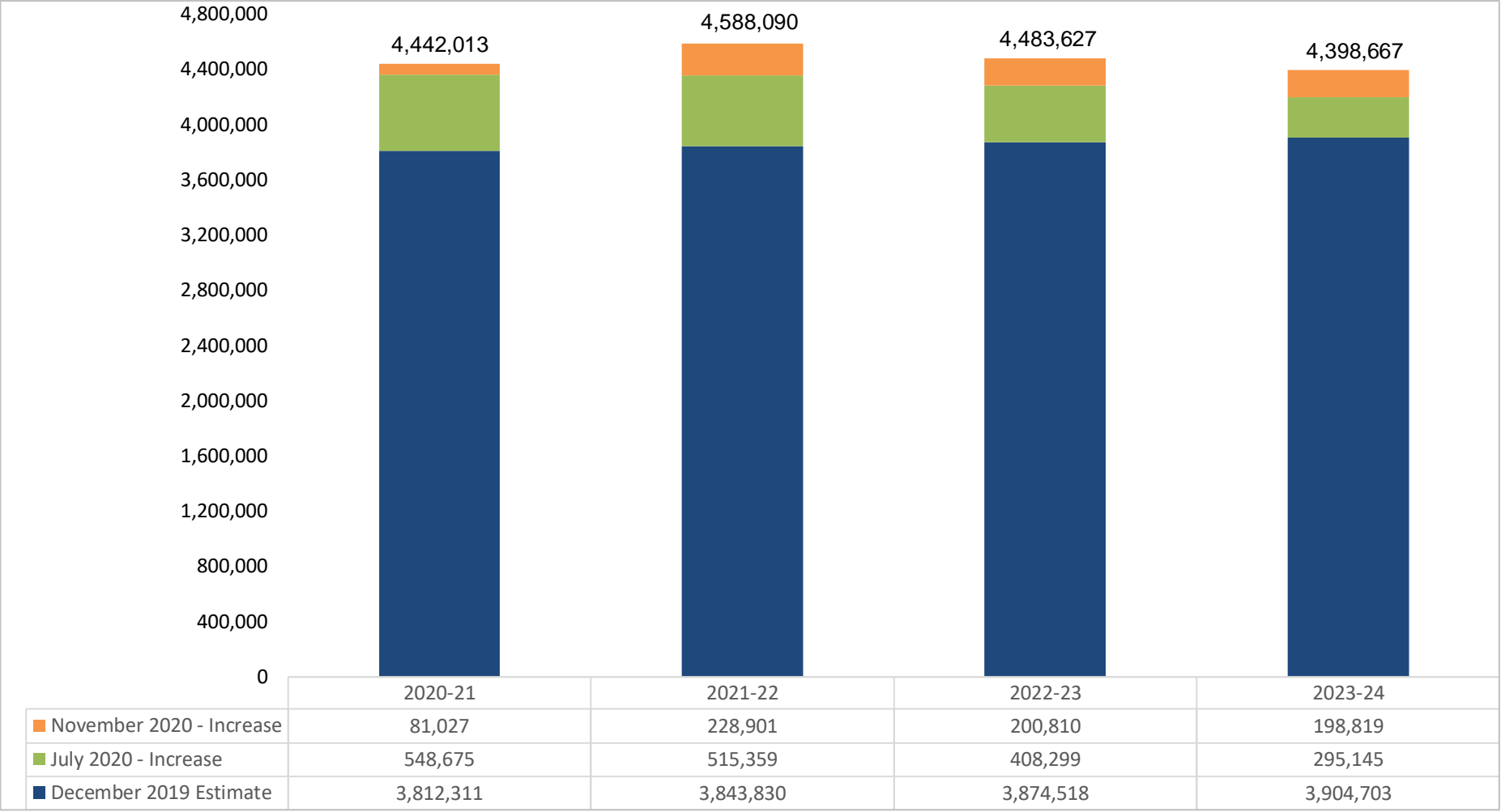


What Is Not Included In The Long-Range Financial Outlook?

- Additional expenditures for COVID-19 response.
- Estimates for future natural disasters or other emergencies.
- Appropriations projects.
- New initiatives.
- Program enhancements or expansions.
- Revenue shortfalls or surpluses since the last revenue estimating conference.
- Lawsuit risks.



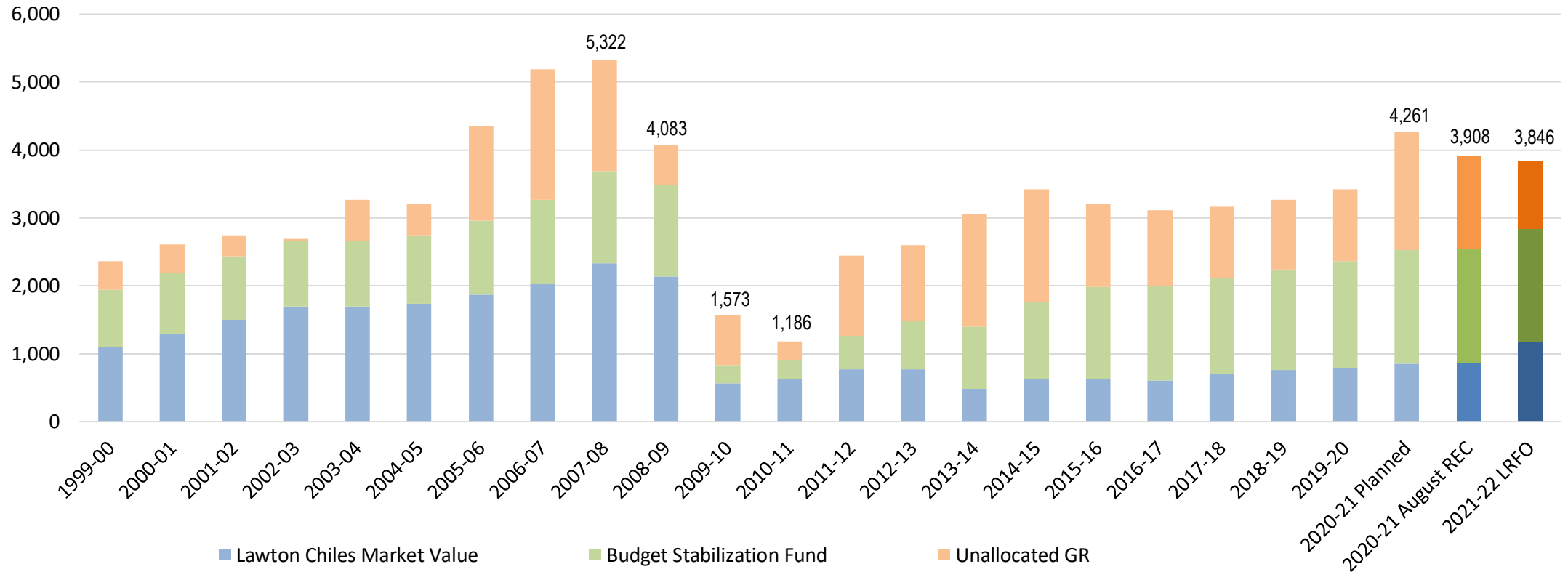
Medicaid Caseloads - A Large Cost Consideration.....





Healthy State Reserves Are Critical

ANTICIPATED RESERVES WHEN BUDGET WAS ADOPTED (\$MILLIONS)



There are additional unappropriated cash balances in various trust funds that could be considered reserves. These are not included in the reserves shown. The Lawton Chiles Endowment Fund is the estimated market value as of August 2020.



Where To Go For Help

Appropriations Committee

(850) 717-4810

221 The Capitol

Staff

J. Eric Pridgeon, Staff Director

Tiffany Harrington, Deputy Staff
Director

Alicia Trexler, Deputy Staff Director

Cheryl Randolph, Administrative Lead

Ways & Means Committee

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Staff

Vince Aldridge, Staff Director